20c JUNE 4, 1951

New Republic

How Industry Raids the Treasury through Tax Amortization

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CORRESPONDENCE

Quid Pro Quo

SIR: Fifteen Democrats and the bulk of Republican Senators once more repudiated the precepts of their chosen Bible and voted the wheat-for-India bill with the objectionable condition that India yield strategic ores to us on a quid-pro-quo basis.

To give or loan wheat to a famine-ridden nation is the fulfillment of democracy. To demand in return that another great nation yield an ore which we ourselves refuse to export is sheer imperialism.

In one sense the Senate and in particular Sen. Styles Bridges, the father of this amendment, may be considered farsighted. They virtually made certain that we would get fissionable monozite. If not now via blackmail, then later in a way we and our children may not like—from the skies and with the compliments of a people "who were hungry" and we fed them bitter gall.

Lenox, Mass. NATHAN GEORGE HORWITT

Least Wanted

SIR: With reference to your suggestion to freeze existing farm prices with subsidies for those below parity—wouldn't it be more logical to subsidize the commodities that are *above* parity? It seems to me that your proposal would encourage production of the least wanted items at the expense of the ones most in demand. Aren't consumers to have a vote in what is produced, or is it better to do without than to reward the producer for giving us what we want?

Greencastle, Ind. JAMES M. HOUCK

MacArthur's Other Thursday

SIR: I am one of those in whom General MacArthur's spectacular reappearance revived the memory of his last public appearance before leaving home. That appearance was in the nation's Capital. It too fell on a Thursday. "Black Thursday" it was called by thousands of American ex-servicemen and their families. Jobless, impoverished and many homeless, they were victims of the '32 depression who had come to Washington to petition Congress to relieve their desperate plight by advancing the date of payment of their adjusted compensation certificates.

They were met by the chief of police, himself an ex-serviceman, Gen. Pelham Glassford. Under his supervision most of them settled in a camp outside Washington, and a much smaller number in half-demolished buildings and shacks on an unused lot near the Capitol. Before each meal every man had to show his honorable discharge papers. Under their own officers they were held to strict army discipline. Most of their food was supplied by friends and sympathetic merchants, among whom were members of veterans' organizations. The city continued to marvel at the unbroken discipline and general good humor that prevailed.

On a Thursday afternoon in July, I was visiting the Texas captain of the smaller camp, just off Pennsylvania Avenue. As we stood in the doorway of his headquarters we heard a noise which proved to be that of an approaching army of helmeted soldiers with rifles and bayonets, machine guns, tanks and cavalry with sabres. At their head, in full military regalia, rode the Chief of Staff of the US Army. I turned to the captain beside me and asked what it meant.

He smiled and said: "It looks like an Army Day Parade. Maybe the General wants to impress his old buddies who were in France with his new army of young recruits."

"You don't expect any trouble, do you?" I asked.

"Of course not!" he replied, "Everybody knows we are going to leave soon, now that Congress has adjourned. Several thousand have already left and General Glassford has arranged for the rest of us to be out of the District in a few days."

"But wasn't there some trouble in your camp earlier today?"

"Yes, for a few minutes. . . . But that was several hours ago and you see how peaceful everything is now. My men haven't created any trouble since they've been here and they're not going to spoil their good record now."

"I realize that, Captain," I said, "but suppose General MacArthur orders his soldiers to attack your veterans now and drive them out of Washington?"

"Why, of course, he'd never do that. It wouldn't be . . ." His sentence was never finished. It all seemed to happen in an astonished second. The captain and I suddenly confronted bayonets within two inches of our stomachs. A gas bomb exploded at the feet of the nearby nurse frantically trying to save some of her first-aid equipment. Coatless, hatless and unarmed men fled from pursuing infantry and cavalry, while gas bombs hastened their flight and machine guns and tanks stood ready to go into action.

Before this unparalleled scene in the nation's Capital, onlookers stood in amazement. Managing somehow to escape the pursuing troops, I stood on the Capitol grounds saying to myself: "This cannot happen here!" But I knew it had happened. I had witnessed it, been a part of it. I did not then know that much worse was soon to follow. Outside of Washington and across the river lay the encampment of more than 8,000 veterans, some with wives and children. Senator Borah had telephoned the White House and received assurance that the veterans would not be evicted under cover of night.

Suddenly the entire peaceful camp was flooded with large searchlights. Before its members knew what was happening MacArthur's troops were upon them. Amid dazed confusion and vain efforts to rescue a few belongings the surprise attack began. Flanked by tanks and machine guns the unarmed veterans were put to flight and their borrowed tents and makeshift shacks burned to the ground. A small child in its mother's arms was badly gassed. That night they lay in the woods, fields and ditches, or searched for scattered members of their families. Next morning as I drove out to the Maryland highway beyond Anacostia I was met by a bugler who had lost his wife and child. We searched for them in vain among the dispersed and still bewildered figures who gradually emerged from hiding. Finally formed into marching order and escorted by a few Maryland police they began their weary trek of 200 miles to the town whose mayor had wired a welcome.

They knew now what it was to meet disastrous defeat, not on foreign battlefields but on their native soil. First, by the unemployment and poverty of a nationwide depression and then by the surprise attack of US Army troops directed by the Chief of Staff in person. They did not look like conquered men that morning. Nor were they. I heard more than one say that another battle lay ahead of them. This one they meant to win, they and the people over the country who were to be told the truth by them and by outraged numbers of other ex-servicemen. Their victory came in the November battle of the ballots. It was a victory over the President and the political party long entrenched in power.

Congress was not in session when President Hoover, through his Secretary of War, issued the order to the Chief of

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New Republic

JUNE 4, 1951

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PUBLISHED WEEKLY AND COPYRIGHT, 1951, IN THE U. S. A. BY WESTBURY PUBLICATIONS, INC., PUBLISHING OFFICE 301 N ST., N. E., WASHINGTON 2, D. C. EDITORIAL AND BUSINESS COMMUNICATIONS SHOULD BE ADDRESSED TO 40 EAST 49 ST., NEW YORK 17, N. Y. ENTERED AS SECOND-CLASS MATTER SEPTEMBER 26, 1950, AT THE POST OFFICE AT WASHINGTON, D. C., UNDER THE ACT OF MARCH 3, 1879. SINGLE COPY, 20c; YEARLY SUBSCRIPTION, $6.50; CANADA AND FOREIGN, $7.50. PRINTED IN THE U. S. A.

WASHINGTON WIRE

LABOR LEADERS had the bad taste to go out to the Democratic conference in Denver last week and tell party big-wigs that they were not living up to their pledges. "We suggest that the Democratic Party reaffirm its fine 1948 platform," observed Roy Reuther, brother of Walter Reuther, himself co-director of the UAW-CIO Political Action department. The platform, he added, "is almost as good as new since it has been so slightly used."

In the 18 months between now and the Presidential election not a respectable newspaper in America will fail to deplore the so-called apathy of the voters who "threaten the continuance of democracy by failing to go to the polls." Yet few of these estimable journals will take the trouble to point out that most of the apathy is caused by the fact that when you get a party elected—either party—it is not so organized as to carry out its election pledges. Looking at the promises of the Democrats and seeing what they are actually doing is likely to inspire a great political indifference in any voter.

In many parts of the country voters are disenfranchised; in the South there is only one party anyway. So only about 55 percent of Americans bother to vote, at the maximum, compared to 80 or 90 percent in other flourishing democracies. This growing distrust of the very institutions of democracy is the most dangerous feature of American life. It is fostered by the journals which deplore "apathy" and are too timid to point out why it exists. Party discipline to sharpen issues, produce results and achieve political truth-in-labeling is perhaps the greatest public need today. We can't see how it will be achieved save by trade unions or similar groups acting either within the old parties or independently. Naturally the presumptious labor men at Denver were treated with embarrassed silence or polite contempt.

It was only after seven days questioning of Secretary Marshall and six days questioning of General Bradley that the latter finally blurted out to Senator Fulbright what everyone had suspected. In the Korean crisis, the Joint Chiefs of Staff, on November 29 and November 30, had warned MacArthur that he was going to be outflanked by the oncoming Chinese invaders. MacArthur airily responded that everything was all right. He was outflanked. He had rashly exposed himself. The great retreat followed, or, as MacArthur calls it, the "retrograde maneuver." This West Point loyalty to a brother officer is creditable enough. Marshall, Bradley et al tried to protect MacArthur even while they firmly took issue with his theories of global strategy. But the truth came out.

Now the Republicans have a slightly soiled general on their hands, another McClellan. Hastily Senator Hickenlooper tried to drop all further examination of the remaining three military chiefs of staff who obviously were going to damage MacArthur still further. "Bring on Acheson!" shouted the Republicans, like a Roman first-night audience demanding an "early Christian." They were held off 14 to 11. These are the same Republicans who a month ago bounded from their chairs in the joint meeting of Congress to hail MacArthur's implied promise that the JCS were on his side. We shall never forget that scene, only a month ago, when the Republican side of the big hall suddenly, before our eyes, turned from a legislative assemblage into a mob.

What most Americans don't realize is that after half a century of lobby defeat in Congress of the St. Lawrence Waterway, Canada is all set to start the project herself. Truman pleads for the waterway as a defense measure. A Congressional committee has been holding hearings and has now gone up to Canada to investigate for itself. All the old sel-

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fish rail, coal and harbor lobbyist opponents of the waterway came forward punctually to testify before the committee. Every President since Coolidge has recommended the project. It still waits. Now Canadians are beginning to boil. Dominion development has reached a point where the canal and the hydroelectric power are vital. If Midwest US can't overcome the veto power in Congress of the Eastern lobby, then the waterway can be built by and in Canada herself. The reputable Montreal *Daily Star*, May 3, reported from Ottawa that it will be "extremely difficult" for the liberal government to adjourn parliament without dealing with the matter. This may be about the last chance for the United States to cut in.

Truman has carefully restored the uncertainty as to his renomination intentions; too many people were saying "he won't run again," and it was reducing his already diminishing authority in party and Congress. Truman, of course, is the last two-term President who can do this, because the 22nd Amendment, slipped through with little popular support and designed to restrict the voters' freedom, limits any future President to two terms. Truman can still keep the matter in doubt. He is 68, and Bess doesn't want him to run; on the other hand he is obstinate, and every man wants "vindication." Whether he runs or not, he will make a rear-platform barnstorming trip this summer that should remind a do-nothing Congress that he still has power to stir folks.

Notes: Both conventions in Chicago next year will be held late; as the nation shrinks, with radio and TV, the need for long campaigns diminishes—this is the first time the GOP has met in July. . . . The stock market is going through a "peace scare," which has tumbled prices; the best evidence is still, however, for increased inflation about a year hence. . . . MacArthur will appear for final testimony before the Russell committee to explain apparent contradictions and new evidence; the second appearance may be painful. . . .

Washington T.R.B.

CORRESPONDENCE

(Continued from page 2)

Staff. That order contained the written directive to the Chief of Staff to employ humane methods — as far as possible. General MacArthur decided that such methods were not possible against unarmed and unresisting veterans whose loyalty was as unquestioned as their poverty, their need and their right peaceably to petition their government. He chose not to comply with the directive, nor to deal directly with the veterans' commander nor even issue an hour's warning before attacking and dispersing them. . . . So widespread was the criticism that he was forced later to plead justification on the ground that he had to prevent "a revolution" in the nation's Capital. This, of course, was palpably untrue.

Remington, Va. RICHARD W. HOGUE

Bloodthirsty

SIR: The edifying spectacle has lately been presented in Europe, in a number of cases pictorially, of the new American Ambassador to Spain and his wife, attending a bull-fight in Madrid. This, apparently, is one of the opening concessions to Spanish opinion.

At a time when all right-thinking people should be protesting against this bloodthirsty custom, this preservation of medieval barbarism, is it anything but highly discreditable to the United States that a top diplomatic official should thus encourage it?

Apparently the unfortunate animal itself disapproved, since, in a picture published in the widely circulated *Illustrated London News*, it is shown leaping the barrier of the torture-pit, in a hopeless endeavor to escape its tormentors, at the exact point where our distinguished Ambassador to the unspeakable Franco, and his wife, are sitting.

Florence, Italy MARC T. GREENE

Citizens Aroused

SIR: We—citizens, voters and taxpayers—of Tacoma, Washington, and of Pierce County, do hereby declare that we are aroused and alarmed by the direction foreign policies and military activities are taking. . . .

We believe that the waste and taxation exacted by war can easily bankrupt all nations, including our own.

We believe that the constant centralization of government and the other controls required by war can, here and everywhere, lead to dictatorships, and make our own government more and more like the tyrannies from which we profess to be protecting others.

We believe that human problems can be solved by peaceful means. We call upon all religious, educational and social organizations to revive their concern for peace; and we implore the national organizations of all religious bodies to furnish leadership in a great movement to find peaceful solutions.

As an immediate step, we, the "Citizens Aroused" of Tacoma, now numbering over 600 active participants, do urge our President, Congressmen, diplomats and delegates to the United Nations to take advantage of this opportune time when the conflicting armies stand again near the Thirty-eighth Parallel to negotiate a settlement based on concessions by both sides, and to do their utmost to make possible the co-operation of East and West in a program for the establishment of Korea as an independent nation and the rehabilitation of her lands and people.

Believing that a positive program for the relieving of human degradation and want is the only ultimate answer to Communism and believing also that a great demonstration of unselfish goodwill would give the whole world a re-birth of hope, we . . . do urge that Congress give earnest attention to the McMahon plan to make billions of dollars now marked for war preparation available for human uplift.

ROBERT C. OLSEN
Chairman, Citizens Aroused

Tacoma, Wash.

Knox Letters Wanted

SIR: In connection with a doctoral dissertation on *The Educational Views and Influence of Samuel Knox*, I have been searching for biographical information and correspondence of the Rev. Samuel Knox, 1756-1832, who was a Presbyterian minister at Bladensburg, Frederick and Baltimore, Maryland. He is best known for his *Essay on Education* which was co-winner of the essay contest sponsored by the American Philosophical Society on the best system of education for the United States. He was also the principal of Frederick Academy and the founder of Baltimore College.

I am searching, particularly, for correspondence between Samuel Knox and his son-in-law, Mr. Archibald George of Baltimore, in which he elaborates upon many of his educational positions.

I would appreciate the publication of this letter so that any one knowing the whereabouts of correspondence relating to Samuel Knox might get in touch with me. My address is 1816 Harrison Avenue, The Bronx.

New York City ASHLEY FOSTER

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VOLUME 124, NUMBER 23, ISSUE 1905, WASHINGTON, D. C., JUNE 4, 1951

New Republic

A TRAGIC BLUNDER: A VITAL PROGRAM

PRESIDENT TRUMAN has botched the foreign-aid program. His message to Congress, months overdue, is a blunder hard to overcome. It is defeatist in spirit and sophomoric in style. It weakens basic concepts which the President established. It dumps a vital program onto a hostile Congress in an unholy administrative mess.

In size, the program has been cut below the January estimates which were cast in minimum necessary terms. For this we can thank the Bureau of the Budget, an agency in which bureaucracy is not enriched by field experience and authority is unhampered by responsibility. Its power to hack away at commitments made by the United States has reached sinister proportions. For it has slashed economic aid to Asia almost in half. All Asia, excluding Korea, is now to receive one cent in economic aid for every $300 spent on armaments. Aid in this amount cannot possibly accomplish the objective of raising living standards set forth by Truman. Yet it will lead to a patronizing attitude on the part of the US and an attitude of sensitivity among nations receiving help. It is important largely as a beginning.

In management, the program is even worse off. It has been placed under the sponsorship of a Secretary of State whom Congress will not tolerate and whom the President will not replace. Partly to compensate for this unworkable deadlock, the program has been dressed up in uniform. It has been cast so much in military terms that it has been referred to the Military Affairs Committee of the Senate instead of the Foreign Affairs Committee for review.

The President evidently made this decision in the belief that the substance rather than the form of the program was important and that, by concealing its form as a military measure, its substance could be saved. This decision will alienate our Allies and deeply offend the nations whom aid is intended to serve. Yet it will not fool the coalition of Southerners and Republicans who lie in wait with blunt instruments for all welfare measures. In selling short the idealism of Americans, the President is guilty of poor statesmanship. We think he is guilty of bad politics as well.

The purpose of aid. In the President's message, rearmament in Europe, reconstruction in Korea, and economic development in Asia are lumped together as part of the same program. The President no longer asks: How can we help these nations? Instead he asks: How can they contribute to our rearmament effort? "The amounts, the geographical areas and the purposes of the aid," he says, "have all been chosen to bring about the greatest possible increase in the security of the United States and [as an afterthought] the whole free world."

That reversal in emphasis violates the spirit of the Marshall Plan whose purpose, defined by Congress, was the regeneration of Europe through self-help, backed by our aid. It violates, far more deeply, the spirit of the Point Four Program.

In Europe, it is true, recovery and rearmament are now closely bound together and both require support. The weakness of the President's message is that, for all its hardboiled language, it shows no recognition of the fact that a working Atlantic Union alone can give significance to the aid the President proposes.

In contrast, in nations oppressed by poverty, welfare is the only viable objective of American aid, and to subordinate a welfare program to US military interests is to ensure its failure.

These nations are not committed to our side. Their governments are overwhelmed by domestic problems. Our task is to help them to overcome unendurable misery and to achieve the will to be independent. That task was assumed by the United States in the Point Four Program, the "bold new program . . . to help the free peoples through their own efforts to produce more food, more clothing, more material for housing and more mechanical power to lighten their burdens" as it was first outlined in Truman's Inaugural Address.

That aim was kept in Truman's later messages. It was upheld in Gordon Gray's report. It was subverted first by the Rockefeller report, which, in an effort to find a saleable rationalization for a welfare program in a time of fear, declared that "strengthening the economies of the underdeveloped regions must be considered a vital part of our own defense mobilization." That line was adopted and advanced by Senator Kem and others in demanding strategic materials and a boycott of trade with Communist nations in return for life-giving aid.

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Now the President carries the subversion of his own concept one stage further. Point Four is called a Mutual Security Program. Aid is part of our "military build-up" to stop the spread of Communism.

One year ago Dean Acheson rightly declared:

> People will do more damage and create more misrepresentation in the Far East by saying our interest is merely to stop the spread of Communism than any other way. Our real interest is in those people as people. It is because Communism is hostile to their interest that we want to stop it.

Now all this is changed. "The underdeveloped countries," says the President, "produce strategic materials which are essential to the defense and economic health of the free world. Production of these materials must be increased. Loans and developmental help . . . help the free world by increasing the supply of raw materials essential to defense."

This, of course, is the tough talk of Kem and his friends. It follows by one year Acheson's declaration that, "We are not interested in them [the Asians] as pawns or as subjects of exploitation but just as people." It represents a moral backslide. Of course the national interest of the US is paramount. Of course the Point Four Program is an instrument of national policy. But since when has the national policy of the US been no more than the manufacture of military force? We are not pacifists who hold force to be an absolute evil. But we do insist that force is immoral unless it serves a moral end. Has the United States really fallen to the level of believing in the Point Four concept because we need armaments? For heaven's sake let us stand upright again and declare that we need armaments in order to carry out the Point Four Program!

Here, once again, poor ethics is poor politics. Byrd, Kem and Cox are not going to be fooled into voting one more penny to Point Four in military guise. Nor will Americans respond to an effort to subordinate their generosity to their fears. For every jingo that is recruited for the Point Four Program a leading churchman will be lost. Far worse, for every churchman that is lost a hundred nationalist leaders in Asia will be lost.

Indonesia, India, Burma, Iran—the critical nations that Truman has in mind—are all following a neutral course in world politics. Yet the President has lumped them in with our Allies and assured the Congress that they will serve our strategic and military purposes in return for economic aid. No proposal could be more offensive to these nations or more enticing to the Republicans and Southerners who are bent on losing Asia in an effort to satellize it. The President's approach invites Congress to go one step further and require Asian nations to conform to our political line and to subordinate their economies to our needs as suppliers of materials for our industrial and military machine. These terms will stand out to Asians as proof that we intend to keep them as hewers of wood and drawers of water. On this basis they will reject what aid the Congress is willing to hold out.

The management of aid. Centralized direction is the first essential in an aid program whose objective is the maximum use of limited resources. The agency directing aid must work with overseas governments in expanding production and in administering counter-part funds for welfare purposes, and it must speak for these governments in competing for US resources which are growing scarcer. No agency can carry out this work if these functions are divided. Yet after seven months' argument the President has solved nothing. The Technical Co-operation Administration handles one part of the aid program; the ECA handles another. The President sends the program to Congress with the incredible assurance that "consideration is being given to the question of whether or not it would be desirable" to transfer the program to the ECA.

Broadness and flexibility are the second essentials in the management of aid. The governments we intend to serve are dangerously weak. Most of them do not possess rudimentary national plans which we can help to implement. Planning starts from the beginning and requires country programs of the type worked out by the ECA. The narrow limits Truman proposes cannot possibly save Asia from revolution.

Independence, in an action agency, is the third essential of management. This has been denied by Truman in a series of steps subordinating the ECA to the State Department. His message provides that policy in the aid program will be set by an International Security Affairs Committee under the chairmanship of the State Department. This is administratively questionable and politically unworkable. Right or wrong, Congress will not vote aid under State Department control. "It would be a vote of confidence in Acheson," a Senator said privately last week. "I don't have that confidence; Congress doesn't have it; my constituents don't have it." For this reason aid faces defeat. Military aid may be voted; economic aid will be turned down.

Without economic aid, rearmament will come to a halt in Europe or inflation will undermine stability and peace. In Asia living standards will continue falling. Aid, free of strings, must go through! *On June 30 authorizations and appropriations for aid expire.* Already, irreplaceable ECA staffs are breaking up in Europe and missions in Asia are borrowing to keep alive from governments they were sent to help.

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THE WEEK

UNFAIR TRADE

The Supreme Court has overturned fair-trade laws in 45 states which permit price fixing by agreements between manufacturers and retailers under the guise of "fair trade." Ever since passage of the Miller-Tydings Act as an amendment to the Sherman Anti-Trust Act in 1937, the Federal Trade Commission and the Department of Justice have urged Congressional repeal without success. By a vote of six to three, the high court has ruled that state fair-trade laws now in effect cannot be used to bar price cutting by stores which refuse to sign a price-fixing agreement.

The proponents of fair-trade laws have argued that they protect the small retailer by providing a price floor on goods which would keep large competitors from undercutting them. Designed to bolster falling prices during the depression, the laws have since worked to the advantage of the big companies producing brand-name goods. By entering into agreements with retailers that the goods would be sold at a specified price, the manufacturers were able to reap profits as high as 100 percent of cost. Moreover, in most states if one retailer entered into such a price-fixing contract, no other retailer in the state could sell the product at a lower price even though he was not a party to the contract. That, said Justice Douglas for the majority of the Court, "is not price fixing by contract or agreement; that is price fixing by compulsion."

The case was brought to court by Schwegmann Brothers, operators of a New Orleans supermarket, who refused to sign "fair-trade" agreements with Calvert and Seagram Distillers and sold the whiskies below the Louisiana "fair-trade" minimum retail price. When the distillers brought suit against the firm, Schwegmann argued in court that "140 million customers in 45 states are paying more for the goods they buy than they would pay in a free competitive market."

The Miller-Tydings Act, the majority of the Supreme Court says, "expressly continues the prohibitions of the Sherman Act against 'horizontal' price fixing by those in competition with each other at the same functional level." The minority—Justices Frankfurter, Black and Burton—argued that the Act was intended to cover "non-signer" provisions of state fair-trade laws. Justice Douglas pointed out that "the omission of the non-signer provision from the federal law is fatal to respondents' position unless we are to perform a distinct legislative function by reading into the Act a provision that was meticulously omitted from it."

The Supreme Court ruling will be a bitter pill for the drug trade to take. The Chairman of the Board of Sterling Drugs, Inc., said the Court's decision was "very disturbing" and that he feared drug profit margins would be narrowed considerably. George J. Burger, vice-president of the National Federation of Independent Business, Inc., predicts that "minority interests" will now engage in "cut-throat competition." Despite these prophecies of doom, to most disinterested observers the decision of the Supreme Court seems to presage lower prices on brand-name articles for consumers.

DOWN PROTECTION ROAD

Without a fight, or even a whimper, the Administration last week saw the Senate take final action on a watered-down, Republican-dictated version of the Reciprocal Trade Agreements Act. With public attention focused on Korea and the MacArthur show, one of democracy's most venerable doctrines, free trade, was just about knocked out of the ring by the special interests. Crockery, china and oil lobbyists led the fight to "protect the American way of life"; they succeeded in shaping the bill to fit the philosophy of the Hoover era. The restrictive provisions which have been written into the new bill will force the US to violate the General Agreement on Tariffs and Trade, fathered originally by our government to bind the rest of the world to free trade.

The blame for the debacle clearly lies with the Democratic leadership. Reciprocal Trade proponents expected difficulty in the Senate this year, in view of the close party split there, but they counted on a "clean" House bill with which to bargain in conference committee. To their complete surprise, the House cracked wide open on the vote—with dozens of Democratic abstentions and many Southern Democratic desertions. As a result, the Senate received a bill which went too far even for the Republican leadership. The Senate Finance Committee removed some House provisions which would have completely scuttled the trade agreements program, but kept enough to make Sen. Kenneth Wherry say that he was satisfied with the bill and that the Republicans would vote for it. They did. On the final 72 to 2 roll call only the super-diehards, George Malone (R, Nev.) and Henry Dworshak (R, Idaho), went on record against it.

In the face of the House rampage, State Department officials had the choice of achieving a bad compromise in the Senate or advising the President to veto the entire bill. They chose to compromise. The result is that the milder Senate bill contains four crippling threats to US policy. (a) Price-supported agricultural products must now be protected by import quotas or an additional 50-percent duty. (b) Trade concessions must be denied Communist-controlled countries. (c) The "peril-point" provision allows Congress to question any of the President's tariff-cutting actions. (d) A wide-open "escape clause" will allow any high-cost manufacturer to demand a full Tariff Commission investigation.

The bill's international effect may be to strain US relations with its GATT partners to the breaking point. For one thing, the GATT charter specifically prohibits import quotas. For another,

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the "Communist" clause would force us to abrogate our agreements with Czechoslovakia, a full-fledged GATT member. In general, the bill will make us boost tariffs at a time when we are most eager for vital imports, and will shift administrative power from the experts to the politicians in Congress. Price increases for consumers can hardly be avoided. High-cost luxury producers will be allowed to make super-normal profits while our Allies hunger for dollars. But, like everyone else, Congress is making sacrifices for the emergency.

McCARTHYISM REBUFFED

SALT LAKE CITY (NR corresp.)

A federal jury has decreed that the Utah Farm Bureau Federation must pay the National Farmers Union $25,000 damages for referring to it as the "Communist-dominated Farmers Union" in the last election campaign in Utah.

The Farmers Union sued the Farm Bureau for libel when the statement appeared. The jury's decision was more than a finding of libel and an award of damages. It was the first jury judgment in the nation on McCarthyism as practiced in the 1950 election campaigns.

During the trial, a writer, Robert C. McManus, sat at the Farm Bureau counsel's table and supplied documents and guidance to the attorneys defending the case. He supplied a copy of an address charging Communist influence "if not domination" in the Farmers Union which was delivered on the Senate floor during the last political campaign—September 7, 1950—by Styles Bridges of New Hampshire. The Farmers Union protested introduction of the speech into the record, even in mitigation of damages. Farmers Union counsel contended that McManus had written the Senator's speech, that he had tried and failed to prove its contents, and that he had no right to put the story into the record in mitigation of damages as a third-party document.

With the jury absent, Judge Willis Ritter put McManus on the stand. McManus gave his biography and finally said, yes, he had, at the suggestion of an unnamed friend, taken the idea of the speech to Senator Bridges, who called for strict documentation. When that was completed, McManus said, "I—I mean we—wrote the final draft." (McManus also got into the record that the speech was widely regarded "as the best documented speech ever made on the floor of the United States Senate.")

The Farm Bureau used four Eastern ex-Communists in their effort to make their charges against the Farmers Union stick, but to no avail. Paul Crouch, one-time star witness before the House Un-American Activities Committee, testified that a former Southern organizer for the Farmers Union had been a "secret" Communist. On cross-examination he admitted testimony before the House committee a year before that the person in question did not join the Communist Party. A witness who testified to putting farmers into Farmers Unions in New York in the 1930s discovered that he had made a mistake. There was no Farmers Union in that state until 1944.

IN JUSTICE TO FISHER AND RUDGE

In the *New Republic* of May 7, 1951, appeared an article by Harry Conn dealing with the activities of Fisher and Rudge, of New York City, in relation to several disputes between labor and management in textile mills in the South. Fisher and Rudge have strongly protested many of the statements and characterizations in the article, as a result of which the editors of the *New Republic* have re-checked the facts. On the basis of these investigations, we believe that Messrs. Fisher and Rudge are entitled to a retraction.

It is clear to us, for example, that the American Thread Company was not a client of Messrs. Fisher and Rudge until about a year after the Georgia incidents mentioned in our article. While the reference in our article was ambiguously phrased, it was not the intention of the author to claim that Fisher and Rudge were responsible for the conditions as alleged.

In regard to the strike against the American Enka Company in Morristown, Tennessee, in the spring of 1950, which Fisher and Rudge were accused of having "master-minded," we have learned that they were employed by the management seven weeks after the strike began, and performed services for the company for a three-week period only. Their chief efforts during the period they were employed were devoted to an endeavor to straighten out relations among management and the rival textile unions of the AFL and the CIO. Due to policy differences with their client, they withdrew from the case. Contrary to the implications of this article, there is no evidence that their activities in Morristown were improper or deserved condemnation.

In regard to the strike against the Dan River Mills at Danville, Virginia, which was the chief subject of our article, Fisher and Rudge have submitted to the *New Republic* numerous newspaper advertisements and the texts of radio broadcasts prepared by them before or during the recent strike. After inspecting these documents, the editors of the *New Republic* believe that they represent merely an attempt to set forth the employer's side of the dispute as persuasively as possible. There is nothing in these documents to support the charges that Fisher and Rudge have indulged in "smear techniques," or the creation of "psychological fear" among employees, preceding or during the strike situation.

The *New Republic* therefore wishes to retract any statement, suggestion or inference that either at Morristown, at Danville, or on behalf of the American Thread Company, or at any other time or place, Fisher and Rudge have engaged in activities that go outside the bounds of accepted practice in industrial disputes.

We retract the characterization of the title of our article, and the statements that Fisher and Rudge have used "smear techniques," or created "psychological fear," and any and all other similar expressions in our article. THE EDITORS

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OUTSIDE AMERICA

AMERICANS AND DE GAULLE

It's an old French saying—as old as French parliamentary life itself—that no man can be considered really out of the running in the permanent rat race for positions of political power until he is dead and buried. A recent example was the case of Henri Queuille. American observers of French affairs had written him off as a political hack and has-been. Then, suddenly and surprisingly (to the Americans), he popped up as head of the government. An even better example may be the case of Gen. Charles de Gaulle. The real issue of the National Assembly election—the first since November, 1946—is whether the General's five-year attempted comeback is to move closer to success. And the real purpose of the law under which the election is being held is to postpone, if not to prevent, that success.

But this time the political resurrection, if it takes place, will not be a surprise in America, at least not to certain influential men in high places. Frenchmen who have access to what is known in Paris as the "political kitchen" are convinced that de Gaulle has been getting—secretly—both moral and material help from leaders of what they call the "respectable American Right" since, a year or so ago, French neutralism became even more disturbing than French Communism.

The General's promise of a variety of "law and order" which, while authoritarian, would presumably stop short of outright dictatorship, was always attractive to the kind of Americans who supported Benito Mussolini when he was still considered "respectable" in the late 1920s and 1930s. Since President Roosevelt disliked and distrusted de Gaulle, many Americans who hated Roosevelt (and his memory) favored de Gaulle. In France it has long been believed that the General has had the consistent, though secret, support of prominent members of the Republican Party, including some with posts in the Truman Administration. But since the development of neutralism his support has broadened on a non-partisan basis (in American political terms). It has included big business and the kind of financial and industrial interests which put up the money for rightist anti-Communism, who have plenty of money to stake on the Western European "legitimist Right"—authoritarian but not overtly Fascist.

The amount of secret help for de Gaulle is supposed to have increased greatly after the fall from power of René Pleven, the most popular (in America) French Premier since the end of the war. And what was secret has gradually become open during the six months of parliamentary twistings and turnings by which the parties of the French Third Force contrived a monument of legalistic trickery—the electoral law—by which French democracy is to be saved both from Communism and de Gaulle.

Since the start of the election campaign, sympathy for de Gaulle has appeared openly in the columns of some of the most important American newspapers. For example, the New York *Herald Tribune* has said editorially, both in New York and in its Paris edition where Frenchmen can read it:

> General de Gaulle enters upon the battle with a simple and dramatic appeal. France must be strong. Europe must be organized around France, and, for this, something more than the changeful and uncertain governments of recent years is required. . . . It is perhaps not amiss for an outsider to suggest that at the heart of the de Gaullist theme is a note to which the whole free world must respond. The strength of France is a measure of the safety in which we all live. The elections of France are a mirror in which we see, distorted but nevertheless revealing, the reflections of our own hopes.

In a speech on May Day, de Gaulle "talked tough" about his intentions, implied strong objections to American military bases in Morocco, and laid down the law about the "conditions" under which "his" France would participate in the NATO strategy for the protection of Europe. Apparently the tone of the speech worried some of the influential Americans who now see de Gaulle as their best hope.

The New York *Times* published an article of nearly four columns spelling out the General's policies in detail. Although not professedly an interview, the material obviously came from the General himself. Among other things, it carried a suggestion that Americans should not take too seriously what he says in speeches intended for consumption in France.

It is not surprising under the circumstances that the French begin to wonder whether the American Government is now behind de Gaulle, or at least whether powerful individuals are trying to bring this about.

The French election law may keep de Gaulle out of power, even though he might poll a majority. In fact the law was written for this purpose. If he should be defeated in this way, and if the American Government has led him to believe—either directly or indirectly—that he has official American sympathy, he may quite easily embark on the path of Napoleon III. He may feel strong enough—and sufficiently justified in what passes as political morality in our time—to seize power.

Quite practically, and leaving out morality or principle, it is highly questionable whether a French regime created by such means will be the "strong France" for which the Pentagon generals and the *Herald Tribune* seem to yearn. It is even more doubtful whether such "strength" would be "a measure of the safety in which we all live." A victory by force won by a "national savior" in uniform who lies to his own people and tells the truth to a foreign government through a foreign newspaper is worse than a victory won by trickery by the "defenders" of parliamentary dictatorship. For it amounts, in terms of the domestic politics of one of the great nations of the West, to a parallel to the North Koreans' justification of their aggression on the grounds of the provocation of the South Koreans.

Paris PERCY WINNER

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OUR $ PATRIOTS

This is the second in a series of articles revealing how special interests are profiteering on our national defense program. Other similar raids by our dollar patriots at the public expense will be reported in future issues.

by Richard M. Cooperman

BUSINESS better than usual has been industry's approach to the Korean emergency. In the driver's seat since inception of the nation's defense mobilization program, big business has done many obvious things for its own good. But it has gone behind a screen of complicated financial procedures to carry on one of its biggest grabs for special privilege and increased economic power through the little-publicized and little-understood accelerated amortization program.

In the past five months, the National Security Resources Board and the Defense Production Administration between them have approved more requests from industry for special tax deductions for investments in new capacity than were granted during the entire seven years, 1940-47, of the World War II amortization program. Applications numbering 1,290, covering total investments of $5.6 billion, have already been officially certified. More than 7,700 other applications are pending before the DPA, and they are still pouring in by the thousands. The rate of approvals to rejections of these applications to date has been about 59 to 1. If the same policy continues, the federal government will grant $15 billion more on the requests pending alone, and bring the business subsidy by amortization to more than $20 billion. And this is only the beginning.

Accelerated tax amortization today operates under the Internal Revenue Code of 1950. Its purpose is to encourage private businesses to invest in expansion of production facilities for defense goods by permitting them what amounts to reductions in taxes in consideration of the cost of the new plant or equipment, depending upon their post-emergency use. For example: A company may decide that it wants to expand its capacity to produce by building a $1 million addition to its factory. Ostensibly all, or the largest part of, the addition is to be used to fill defense contract orders. If the company succeeds in obtaining a certificate of accelerated tax amortization from the Defense Production Administration for 100 percent of the cost of expansion, the firm may, over the next five years after completion of the factory addition, deduct $800,000 from its income for depreciation.

In effect, the company obtains a million-dollar plant for $200,000. It can take a tax deduction of $160,000 a year for five years and pay much less of its profit to the federal government as a result. Under normal circumstances, without a certificate of accelerated amortization, the same company would distribute the cost of wear and tear on the new factory over a period of about 25 years. It would deduct only $4,000 (instead of $160,000) from its income before taxes each year, and as a result pay a much higher tax.

Even so, this might be a valid emergency measure; no one would quarrel with the granting of a full 100 percent for amortization of facilities that will be useless after the emergency. Individual businessmen should not be expected to finance the general defense. But in too many cases, companies are asking and getting tax write-offs just for replacing obsolete plants or constructing new ones which they will continue to operate and profit from indefinitely. The amortization system is being exploited to underwrite expansions in basic production fields like steel, aluminum and chemicals which only by a vast stretch of the imagination could be said to involve an undue risk to the company concerned.

Nor are amortization grants going to companies lacking ready access to large amounts of capital, as was intended by the drafters of the Defense Production Act. The largest number of the certificates for acceleration of amortization, involving the largest sums allowed, have gone to the largest and richest corporations in America. The big business group inside and outside the government has warped the program into a reckless incentive scheme that will deprive the national government of billions of tax dollars. Some companies have actually been subsidized by the government for making permanent additions to their earning base.

It is not easy to determine from the records kept by the DPA what the total tax concession to any one company under amortization has been. The DPA issues lists of the applications it has approved at the end of each week. It does not release the cumulative totals by companies, and some corporations have received more than 30 separate certificates of necessity in the five months in which the amortization program has operated. We have independently tabulated the 1,290 applications approved to date and correlated these totals for some of the largest beneficiaries under the program with the profit

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position of those firms for last year. The table below indicates the total dollar value of the amortization certificates received by 21 selected companies in the last five months and, for comparison, gives rate of return on investment which those companies received after taxes last year.

AMORTIZATION GRANTS COMPARED TO PROFITS*

Company	Amounts Certified in Dollars	Percent Rate of Return
Armco Steel	165,992,406	22
Republic Steel	115,503,000	19
Bethlehem Steel	235,420,000	16
Jones and Laughlin	191,086,266	14
US Steel	418,674,420	12
Youngstown Sheet & Tube	98,384,000	16
Westinghouse	24,500,000	15
General Electric	60,872,877	27
Goodyear Rubber	1,441,844	16
Goodrich Rubber	2,511,317	20
Pittsburgh Plate Glass	10,200,000	20
Dow Chemical	78,975,510	18
Monsanto Chemical	34,533,000	18
Aluminum Co. of America	75,355,511	14
Reynolds Metals	82,665,278	21
International Paper	55,898,549	19
Meade Corp.	30,668,500	14
Standard Oil of California	14,000,000	16
Standard Oil of Indiana	34,465,000	11
Sinclair Refining	27,000,000	15
Gulf Oil	33,912,342	12

* Some leading beneficiaries of accelerated tax amortization, the total of investments which have been certified for each, and the rate of return on net worth after taxes earned by these companies in 1950.

Congress, usually very vocal on tax matters, held no public hearings and entertained almost no floor debate when it authorized accelerated amortization. The apparent disinterest of the public in the subject as well encouraged a rush by big business men for double tax deductions as the amortization program allows.

Out in front, getting the largest chunks, were the biggest of the big—the steel makers. The first list of certifications granted by the National Security Resources Board last year read like a directory of the country's biggest steel corporations. Five companies—Jones and Laughlin, US Steel, Bethlehem Steel, Republic and Armco—captured 25 percent of all the deductions certified in the first few months. Sixteen steel companies alone secured $1.85 billion in tax write-offs, with most of the plants involved amortized at 85 percent of the cost of construction.

Even while taking these millions in subsidies from the government, Eugene Grace, president of Bethlehem Steel ($235 million in certifications), speaking for the industry, boasted that steel mills had expanded well beyond President Truman's goal and declared, "I don't see any use for government funds to add additional steel capacity."

General Electric, Defense Mobilizer Wilson's former firm, said "no" and acted "yes" to government aid also. In its *Employee Relations Newsletter*, April 15, GE admitted to fighting only an 8-percent war on the basis of output turned over to military demand. It proclaimed in underscored words, ". . . we would only have to work on Saturdays to [turn out] 20 percent more than at the time of the Korean invasion." Nothing to worry about at GE, but to be on the safe side it has already asked and been given $60.9 million in certificates for accelerated amortization.

Dozens of companies, which have told unions seeking wage increases for their members that profits aren't what annual statements say they are because a large part of profits are put back into the business to expand production, have been standing in line for federal tax subsidies to cover their expansion.

One of the worst results of all this has been that expansion of our industrial capacity undertaken during the last year has developed according to opportunities for tax benefits through amortization rather than according to a central plan for the buildup of our basic resources for production.

The potential size and scope of the current tax grab became obvious when the DPA began to make public lists of certification with dollar amounts. There were many cautiously raised eyebrows. But Secretary of the Interior Oscar Chapman was the only official to question DPA head William Harrison about it.

Chapman strongly suggested that accelerated amortization percentages (the percent of the cost of a new facility to be written off in five years for tax purposes) were too high. He sent Harrison a memorandum touching on the relative positions of little business and big business under the amortization program, and questioning in particular the establishment of identically high percentages for expansion of facilities to produce the same things. Ostensibly "industry-wide percentages" would give smaller business, with less chance to get capital for construction, a chance to get into the defense program along with the stronger companies. A high rate of accelerated amortization could help the little man, in comparatively weaker financial condition, to pay for his new plant or equipment through tax savings. But this procedure gave the advantage of the same high percentage to the stronger companies. For businesses without a capital problem, the high percentage was gravy. And it is these businesses which the DPA admits got in on the ground floor of amortization. It was more than four months, Manly Fleischmann testified to Congress,

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before defense mobilization officers began to reach small business applications in the amortization requests.

The kind of thinking which has led Wilson, Harrison and Fleischmann to permit accelerated amortization to operate for the almost exclusive benefit of very big business also explains the failure of the defense agencies to use other financial tools to encourage production expansion provided in the Defense Production Act of 1950. The power given the government by that Act to make direct loans or to guarantee loans privately made to companies in need of investment capital has been practically unused. The DPA, which is supposed to exercise that authority, has made only 33 direct loans under the Act for a total of only slightly more than $60 million. The whole financial assistance side of the expansion program has bogged down because the big companies do not need financial assistance of this kind, and consequently big business's representatives and friends in the defense hierarchy have not bothered to promote the program.

The Congressional Joint Economic Committee recently called Harrison, Fleischmann and Frank Creedon, another top DPA administrator concerned with accelerated amortization, to explain why the provisions of the Internal Revenue Code designed to equalize competitive opportunities for small business were disregarded while amortization for big business was rushed through. None of the three had any answer.

What began as a plan, among other things, to aid needy companies to cover depreciation costs of plants and equipment for defense production has become a free ride for big business. It has brought about expansion plans which mostly, Fleischmann admits, "would have obtained whether there was amortization or not." The classic example is US Steel's two-year-old plan to build a $300 million plant for its subsidiary, Carnegie-Illinois Steel Company in Pennsylvania. When amortization was announced, US Steel applied for and was granted an amortization certificate of $326.25 million on the plant it had blueprinted a year before the Korean War began.

During March and April, four Congressional committees began to look into the tax grab. Recent certifications have shown a tendency to be less liberal. But big business won't mind now. It has long since been taken care of. Public and Congressional pressure may now slam the door to the tax grab office, but if and when it does the effect will only be to keep out little business.

This prospect has even aroused the sympathies of Fleischmann. "The big people have come in first and gotten amortization, and we are now engaged in giving it to the small ones as they come in," Fleischmann recently told a Congressional committee. "I think it would impose a very great hardship on the small concerns to tighten up these provisions."

William H. Harrison has now departed from the top position in the Defense Production Administration and returned to the presidency of the American Telephone and Telegraph Company, following the lead of Gen. Lucius Clay, Sidney Weinberg and Fred Searls in moving from Washington back to Wall Street. But that will change nothing. Harrison, like the other three, came into a key place in the early days of the defense mobilization program and set up a way of accomplishing things for big business.

After the NSRB, under Stuart Symington, gave the steel companies the first tax subsidies through accelerated amortization, Harrison pounded table tops around the defense offices to get the same plums for the rest of the major industries. It was Harrison, with his big business habits and relationships, who put through the high percentage allowances for certifications for the big companies. Now independent businessmen are seeking their due under accelerated amortization. But the pattern is already set. Harrison's mission in the defense program is accomplished.

While encouraging the trend toward industrial concentration by favoring expansion of already overgrown businesses, the amortization program, as presently administered, also threatens the results of years of expensive investigation and litigation by the Anti-trust Division of the Justice Department. Federal attorneys have spent years in court trying to whittle down billion-dollar corporations like Republic Steel ($115.5 million in rapid tax write-offs for expansion), Standard Oil of California ($14 million in rapid tax write-offs for expansion) and General Electric ($60 million certified for tax deductions). Whatever good has been done in reducing the size and power of these giant monopolies will almost certainly be undone by the nurturing they have recently received from the government.

A handful of conscientious Congressmen and a few administrators, led by Secretary Chapman, have begun a belated drive to regain a portion of the tax income already given away by providing for automatic adjustment after the emergency of any unfair tax deductions allowed to industry now. Rep. Herman Eberharter has introduced a bill to prevent another sharp practice which has grown out of the abuse of accelerated amortization, whereby companies have been allowed to use the high accelerated amortization rates instead of lower depreciation values in figuring the cost price of defense goods to the government. The Defense Department has also allowed companies to use the higher rate in arriving at costs of defense goods in contracts with other pri-

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vate companies. The Defense Department did not allow this practice in World War II, and the Defense Production Act should make it mandatory that depreciation figures rather than amortization rates be used in the renegotiation of contracts. Eberharter's bill accomplishing that has received almost no support from the Congress or the public to date.

To correct basic abuse of the present amortization system it will be necessary to restrict tax allowances for expansion to the construction only of facilities which have no permanent value and to cut drastically the percentage of allowances that are made in recognition of the fact that almost every industrial facility actually does have permanent economic use.

These changes in the present law, if adopted now, could still save millions in tax revenue and retard concentration. But it will be hard to reverse a trend as strong as that which has been set in motion by the loose system of amortizing investments which big business has rigged up through its friends in Washington.

LEGALIZED MONOPOLY OF THE AIR

by Harry Conn

THE FUTURE of American commercial aviation, both as a service and as it relates to national defense, is before the bar for a decision.

Since the passage of the Civil Aeronautics Act in 1938, the 16 domestic certified carriers, led by the "big four" airlines—American, Eastern, TWA and United—operating on their own privileged routes, have enjoyed a guarantee of profits through air-mail subsidies and government protection against extensive competition which have been the envy of businessmen everywhere.

Since the war, however, these big lines have been uneasy. Thousands of veterans, trained as competent transport pilots, returned home to claim their historic American rights to engage in free enterprise by competing in sky-borne transportation. They offered a new commodity—safe, mass air transportation at low rates—and they became known as the non-scheduled or the irregular airlines.

But the new operators ran into difficulties. The Civil Aeronautics Board, established by the Civil Aeronautics Act to promote "adequate, economical and efficient service at reasonable charges," had long interpreted its role as that of special protector of the rights and interests of the 16 certified carriers. As a competitive threat to these carriers, the irregulars have been increasingly harassed by the CAB to a degree almost without parallel in American history for rank government discrimination.

On June 5, the latest CAB order against the irregulars is scheduled to go into effect. The order, severely limiting the number of flights, is recognized as a starvation diet which will ring the "death knell" on the non-skeds. It was devised to remove from the aviation picture the last formidable force for free competition in the air and to assure the 16 certified carriers of their unquestioned right to eminent domain of their routes and subsidies.

The one hope for freedom of the airways lies with a legislative committee which has seen its work all but lost in the uproar of the MacArthur episode. The Senate Select Committee on Small Business, under John Sparkman (D, Ala.), after 90 days of hearings and studies on the plight of the irregulars, is expected to issue its report this week. There is speculation that the committee may question the entire approach of the board to the air transportation problem and ask that definite steps be taken to preserve the irregulars. If this is done, the CAB will have only a few days in which to decide whether it will meet and comply with the committee's desires.

In light of the influence of the scheduled-airline lobby in both the legislative and executive branches of the government, a strong report against CAB policies would be difficult to sustain. This lobby is no myth in Washington. The airlines have stalwarts in both major political parties and have always chipped in heavily to both national campaign coffers. Republicans, such as Sen. Owen Brewster of Maine, and Democrats, such as Sen. Pat McCarran of Nevada, have not been exactly soft-spoken in their behalf. American Airlines President C. R. Smith has the right connections on Pennsylvania Avenue, and Presidential aides Matt Connelly and John Steelman are no strangers to the airline bigwigs.

In the Sparkman report, though, remains the last hope for millions of people who want safe air transportation that they can afford.

The challenging story of the non-skeds' invaluable contribution to commercial aviation has never really been placed before the American people. The irregulars could never afford the vast financial outlays for lush public relations in which the scheduled airlines luxuriate. Those advertising campaigns, frequently paid for out of the taxpayers' money through air-mail subsidies,

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have been among the slickest in the business. They sold flying, flying the scheduled carriers. Publications, fearful of losing choice airline advertising contracts, either refrained from mentioning the irregulars or carried viciously slanted articles against them.

The non-scheduled story is yet to be told. It is the story of pioneering in the face of odds as great as those suffered by the early colonists or the Western settlers. It is the story of the weak and the untrained falling before the power of a well-organized and integrated industry under government protection and of the survival of only the fittest. The fittest were the 55 non-scheduled carriers who flew over three-quarters of a billion passenger miles in 1950—9.6 percent of the mileage flown by the scheduled carriers.

The non-skeds began their operations in competition with an industry which had grown comfortably flaccid on US subsidy and guaranteed profits. They offered a new type of service which while not threatening the revenues of the scheduled industry did threaten their whole concept of luxury operations. For the first time the non-skeds were offering airlines solely dependent on private capital and the revenues of the public. They were setting out to prove that air transportation of passengers could be a self-supporting industry.

For years the scheduled airlines had opposed innovations which would broaden or compromise their luxury operations. The piercing stimulus of the non-skeds forced them to introduce low-cost coach service, reasonable air-freight service, the drop-down door, personal handling of baggage and many other changes they did not want.

What would happen to this forced progress of American commercial aviation without the continued competition of the non-skeds can be sadly contemplated.

For two years the strong voice in the fight for the rights of the non-skeds has been Amos E. Heacock, president of the Aircoach Transport Association, Inc., with offices in Washington. This organization was formed about a year ago, after several previous groups had proved ineffective, to establish a united force to battle for the survival of the irregular industry. Heacock, a big hulk of a man, is a former personal pilot of Air Force General Carl A. "Tooey" Spaatz and was his liaison officer with the AAF's Troop Carrier Command in North Africa. He is president of Air Transport Associates, an Alaskan irregular. Heacock's trade is that of a pilot, but during his period in Washington he has learned that he cannot keep flying as his business without adopting the devious machinations of a Capital lobbyist. In clashing with the scheduled airline lobby he is competing with one of the shrewdest and largest. Twenty-five years ago, when Juan Trippe, now president of Pan-American Airways, set up his first scheduled run between Key West, Florida, and Havana with one plane, he had the uncanny political and business foresight to establish a plush Washington public-relations and lobbying office—a foresight which has paid its dividends and made PAA the largest airline in the world today. Heacock, with all his physical size, truly is a David in battle with a Goliath.

The irregular operators and the irregular personnel generally are veterans—veterans who are in business because of encouragement received from the government. In 1945 and 1946, the War Assets Administration carried on a campaign urging returning veterans to purchase surplus aircraft and go into the aviation business. Brochures entitled "War Wings for Peace" were spread around the country. Over 500 transport aircraft, some selling for as low as $5,000, were bought by ex-GIs under this program. Several hundred air-coach and air-cargo organizations were formed in 1946 and 1947. Some of the veterans made the "fast buck" they were looking for, took their cash and walked out of the business. Others folded up, unable to meet the competition of the scheduled airlines, the CAB and their better-organized irregular competitors. Still others hung on, made money and became an industry. Typical of these is tall, prematurely gray Stanley Weiss, president of Standard Airlines, the first non-scheduled air carrier to have its letter of registration revoked by the CAB for flying too frequently and regularly. He told a fascinating story to the Sparkman committee:

> Shortly after VJ Day, I returned to the United States from Burma, where I had been flying cargo and personnel over the hump in China; and I was a skilled pilot of transport aircraft and was reasonably competent as an airline operating man. I had new and valuable skills and was naturally anxious to put them to work. I was ambitious, reasonably intelligent, and a firm believer in our competitive American economic system. . . . I wanted a business operating a non-scheduled line. I bought a DC-3 from War Surplus by paying 15 percent down. The balance I was able to borrow from the Reconstruction Finance Corporation. I later walked into the Bank of America where I had an account totaling $300 and talked myself into a loan of $40,000 on my personal note, the funds to be used for an additional plane and for starting a non-scheduled service. Amazingly enough, the bank soon had the same confidence in my plan as I did. I got another DC-3 and started out. I later incorporated as Standard Airlines. We were not a scheduled operator, but we flew as much as we could with our equipment. I wound up in 1948 with six DC-3s and one C-46, all paid for, a very substantial maintenance set-up and spares and equipment, all paid for. We were soon completely out of debt.

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The shrewder business heads among the irregulars knew that the certified air carriers operated strictly a luxury business, catering largely to business executives, many traveling on expense accounts, who could afford their rates. They were prepared to offer a service in "buses of the air" to workers, housewives, white-collar groups, students and servicemen who would normally travel by cheaper surface transportation. They knew that they could materially reduce expenses through economical utilization of ground and station executive personnel. And there would be no tampering with safety since they were under strict CAA rules similar to those of the scheduled airlines. They used the full seating capacity of planes, which the scheduled airlines, with the possible exception of Eastern, did not. They added 30 additional seats on DC-4s, 18 additional places on DC-6s and four to seven seats on DC-3s. The inability to fly scheduled runs materially increased their costs, but by doing without the frills they came out ahead.

Most of the irregular operators probably were uncertain how they would actually operate, and the entire legal aspect of their business was hazy. Only a few realized that it would be impossible for them to secure a Certificate of Public Convenience and Necessity from the CAB under the rigid terms of the Civil Aeronautics Act. In fact, to this date no carrier other than the original 16 trunk lines has received such a certificate. They began operations under Regulation 400-1 of the Act, originally designed for small, fixed-base operators who engaged in such activities as short hauls, crop-dusting and fire-fighting. The CAB made no other provisions for them. As long as they followed no regular calendar schedule they were free to operate.

In 1947, however, the board issued an order requiring the filing of tariffs. In the middle of 1948, letters of registration were made a requirement for irregular operations, and the non-skeds finally realized that they were a part of a regulated industry—an industry which was to see far more regulation. By that time the board chairman, James Landis, who encouraged competition and expansion of routes, had been supplanted by a strict constructionist, Joseph J. O'Connell Jr., and further restrictions on frequency and regularity of flights were issued.

Finally, a deadline of June 20, 1949, was set for the non-skeds to file requests for individual exemptions and to cease operating under blanket exemptions as previously. A denial of an individual exemption meant revocation of the letter of registration. Companies could operate while their cases were pending. However, the CAB could revoke letters, under this provision, without a hearing except in case of a reconsideration appeal. The greatest crime of which the independents were accused was flying too frequently and regularly; the full burden was placed on the non-sked to prove its fitness, willingness and ability to fly rather than on the board to prove a violation under the Civil Aeronautics Act.

A total of 97 applications were filed, but to date, almost two years later, only 14 have received final approval. A total of 27 have been finally denied; 26 were denied but are being appealed; five applications have been dismissed; three are being heard now; one is "assigned by the board for denial"; and 21 have not been acted upon at all.

The methodically planned action of the board in this respect is well summed up by an article in *American Aviation* (March 19, 1951):

> The board has been disposing of these [exemption] applications on the average of seven a month since the machinery for handling them was set up in May, 1950. Of this seven, one is usually approved, three are denied finally, and three are denied tentatively with operating rights remaining intact usually until after public hearings are held.

To date, none of the heavy mileage, larger irregulars has been granted an individual exemption. Typical of those companies which have passed the board is the Johnson Flying Service of Missoula, Montana, whose major pursuits have been such non-carrier activities as forest service, fire-fighting, crop-dusting and insect-spraying. Another carrier granted an exemption was the United Export Company, which only leases one C-46 and whose total annual income from air transportation has never exceeded $10,000.

When it revoked the letters of registration of many carriers, the board learned that it was dealing with some boys who had found a tremendous public demand for their product and did not intend to quit. Many bought up letters of registration of defunct airlines and re-established themselves in business under other names. One irregular is now operating his fourth company.

With this background the board issued the order—effective June 5—which precipitated the Sparkman committee hearings. This death blow to the independents restricts the number of flights for any non-scheduled carrier between major population centers to three flights during any four-weeks' period and to eight between any two other points. Adopted March 2 and made effective April 6, the effect of the order was delayed until June 5 at the request of Senator Sparkman.

The board went out of its way in issuing the directive to announce that for a period of six months it was exempting the irregulars from the regulation whenever they transported military traffic under contract with the

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Department of Defense. By relegating the non-skeds to strictly a military role the board removed them as a threat to the certified carriers.

Not one of the scheduled airlines testified during the Sparkman committee hearings. Apparently they had full confidence in the members of the CAB to state their case. Delos Rentzel, former CAB chairman and now Undersecretary of Commerce for Transportation, did not disappoint them. His testimony clearly outlined the views of the carriers: "The board feels that the policy and law of the Act are correct and that entirely new systems of air transportation should be brought into being only through the certification process." He neglected to follow this statement with the observation that not one new air carrier had been certified by the board since passage of the Civil Aeronautics Act in 1938 and that all efforts by non-skeds had resulted in thousands of futile dollars floating down the drain.

The usual argument against the non-skeds is that their flying of scheduled routes is "skimming off the cream," particularly on long hauls. This, the certified carriers maintain, will cost the taxpayers additional money in increased subsidies to the airlines. To combat this attack, the irregulars have made surveys which show that less than 20 percent of their traffic would have flown the scheduled lines and that the vast majority of their customers are new to air travel. In addition, they point out that the domestic trunk lines increased their passenger mileage 18.8 percent in 1950 over 1949 and that scheduled coach-passenger mileage was increased 318 percent between 1949 and 1950. The non-skeds increased their traffic 67 percent during the same period.

Air transportation has not begun to approach the saturation point. The above figures are indicative of that. International airlines, charging seven cents a passenger mile, increased their mileage only 9.9 percent last year. Scheduled domestic carriers achieved their 18.8-percent increase at a five-and-a-half-cents rate. Charging four to four-and-a-half cents a mile, scheduled coach operations achieved their fantastic 318-percent increase. And non-skeds, fighting against every conceivable government interference, showed their 67-percent increase by charging three-and-a-half to three-and-three-quarter cents per mile. The public demand for air transportation has not reached the saturation point; it is only waiting for the price to drop to the level of its pocketbook.

Undersecretary Rentzel, testifying before the Sparkman committee, in effect spoke for both the board and the certified industry when he explained why the scheduled lines could not match the irregulars' low-rate service. The non-skeds, said Rentzel, do not need to fly unless they have full loads. The irregulars retort that they frequently fly without full loads, and studies show that they often do not have as large a payload as the certified lines.

The irregulars, Rentzel said, do not have the extensive dispatching or communication systems required of regularly operating certified carriers. Under questioning, Rentzel qualified this statement. The scheduled airlines operate through one of their own creatures, Aeronautical Radios, which Rentzel formerly headed, and many irregulars also use this service. Those who do not, utilize the CAA facilities.

Any implication that the non-skeds are not operating safe air transportation is grossly unfair. They are under the same rigid CAA restrictions as the regulars and have been entirely free of fatalities for the last two years. "We go much further than the CAA requirements because we know, as a small line combating the pressures of the big airlines, that we cannot take a chance in any way, shape or form," one irregular operator said.

The leasing of transport aircraft from the Department of Defense for rates as low as $300 a month is listed by Rentzel as giving non-skeds an unfair competitive advantage. He explained that they do not have to meet the depreciation charges accrued by the airlines which have their own planes. Recent figures obtained from the CAB show that of the 221 non-scheduled aircraft in operation, 107 are owned outright and 114 are leased. A total of 67 of the leased craft are C-46s, heavy-duty transports; and 47 of the planes owned by the non-skeds are of the single-engine variety. However, Rentzel admitted, 62 aircraft are being leased by the certified carriers now.

The board's philosophy was summed up by Rentzel before the Sparkman committee when he stated:

> The [Civil Aeronautics] Act provides for the subsidization of the air-transport system of the United States until such time as it can stand on its own feet. It is the duty of the board to enable the air carriers to reach economic self-sufficiency as soon as the economics of air transportation will permit. The creation of an entirely new and duplicative air transportation system is not consistent with the basic requirements of the Act, nor the policy of the Congress as expressed in the Act.

It is this approach over which the public, demanding low-cost air transportation, and the irregulars are concerned. It is legalized monopoly in the air. This is the approach which the Sparkman committee must either accept or reject. We shall soon know.

This is the first in a series of articles on commercial aviation.

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HAROLD L. ICKES: *Iranian Powder Keg*

THE STATE DEPARTMENT seems to be completely preoccupied in determining what it thinks about Spain and China and Formosa. Besides, it has been working day and night to macerate effectively our once sternly righteous attitude toward German war criminals. All together, it has been too busy to do anything effective to prevent the threatened explosion of the powder keg that is Iran. Our policy with respect to Iran is quite consistent with our general too-late policy as to Asia.

Until it again reverses itself, the Department has been on firm ground respecting Formosa and Chiang Kai-shek. The present policy is calculated to prevent a third world war from breaking out in China into which General MacArthur, Senator Taft and the twittering Wiley from Wisconsin would push us. Of course, Assistant Secretary of State Dean Rusk's unfortunate speech in New York on May 18 may presage another right-about-face. Now that MacArthur and Taft have succeeded in diluting some of the few sound international policies that we have, Secretary Acheson may finally dash to the four-alarm fire that is raging in Iran, as the result of the oil controversy there, before the sputtering fuse detonates the inviting powder.

As to Iran, we have, as usual, twiddled our thumbs until it may be too late to avoid an explosion that we might have prevented.

There is no reason why the Anglo-Iranian oil issue could not have been settled before passions became so heated. Now it may be too late, even if we move with unusual speed. The Arabian-American Oil Company, as the price of retaining its concession in Saudi Arabia, agreed to pay 50 percent of its profits, in addition to certain customs duties and other impositions, to King Ibn Saud. If the Anglo-Iranian Oil Company and Great Britain could not read this clear writing on the wall, it should have been spelled out to them warningly by the United States. Great Britain has a tremendous financial stake in Iranian oil, but she, as well as our own country, has an even greater stake in world peace—which may well be shattered by an untimely explosion in Iran.

Great Britain can better afford to share the profits of her oil operations in Iran with that country than engage in a war that could quickly encircle the world. If Great Britain could take over her own steel and banking industries, why cannot Iran expropriate her principal natural resource? During the Hoover Administration, Mexico expropriated not only British but American oil properties, and one of the first acts of the Roosevelt Administration was to announce that Mexico was within her sovereign rights in this act of expropriation and that we would not lift a finger, diplomatically or otherwise, to press for the restoration of the properties and rights that had once belonged to American oil interests. It would seem that Iran has the same right of expropriation that Mexico had and that we ourselves have, although we do not choose to exercise it, the same right of expropriation that Great Britain has already exercised.

Instead of trying to bring about an accommodation between Iran and Great Britain and her controlled Anglo-Iranian Oil Company, we have chosen to be partisans. US Ambassador Henry Grady has made it clear to the country to which he has been accredited that his sympathies lie with the British and the Anglo-Iranian Oil Company. He is supposed to be representing American interests in Iran, and certainly the most important part of his job is to cultivate a sympathetic understanding of Iranian problems as they relate to world affairs in which we also are interested. Apparently the State Department has decided to support the critical attitude of Ambassador Grady toward the country to which he has been sent, not to represent British interests, but American.

The stubborn Anglo-Iranian Oil Company, which refused to make concessions that might have forestalled the present crisis, has suggested to Iran that the controversy between the two be arbitrated. The New York *Times*, in an editorial on May 21, supported this arrogant demand. This request is probably based upon the fact that the Anglo-Iranian concession contains a clause providing that Iran will not expropriate, as well as a provision that any dispute will be submitted to arbitration. However, such language as this does not endow a private corporation with sovereignty, even though 53 percent of its stock is owned by Great Britain.

Anglo-Iranian is nothing more than a private corporation, and if Iran may expropriate its physical properties, it would seem that she may also expropriate the safeguards that have been referred to in her concession to Anglo-Iranian. "Expropriation," says Webster's Unabridged Dictionary, means "the action of the state in taking or modifying the property rights of individuals in the exercise of its sovereignty." It is a new principle in international law that a sovereign power must, or even should, arbitrate a dispute between itself and a corporation. Would Great Britain have been willing to submit to arbitration the question of her right to nationalize her steel industry?

HAROLD I

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BOOKS IN REVIEW

JEKYLL AND HYDE ON CAPITOL HILL

by V. O. Key Jr.

THE CONGRESS of the United States is a most puzzling institution, or so it must seem to an alien observer. It faithfully echoes the voice of a mighty people; it outrageously misrepresents the temper of America. It decides the gravest issues with both dispatch and sagacity; it wrangles endlessly even at the risk of national security. It defends our liberties; it perpetrates the grossest acts of tyranny. It achieves sublimity in its devotion to the national interest; it embraces the meanest cause. Its members protest the most inconsequential slight to Congressional dignity; they tolerate among their number bribe-takers, scoundrels and men who rob their clerks.

TYRANT FROM ILLINOIS: UNCLE JOE CANNON'S EXPERIMENT WITH PERSONAL POWER, by Blair Bolles (Norton; $4.50).
CONGRESS: CORRUPTION AND COMPROMISE, by H. H. Wilson (Rinehart; $3.50).

Messrs. Bolles and Wilson do not solve all these paradoxes, but they provide some light for those who seek to understand why Congress is what it is. Bolles, director of the Washington Bureau of the Foreign Policy Association, dedicates himself to a study of legislative leadership in his work on Joseph Gurney Cannon, who as its Speaker ruled the House with an iron hand. Wilson, an associate professor of Politics at Princeton, deals with a recurring failure of Congressional leadership; the tolerant attitude of Congress toward its wayward members.

The story of Uncle Joe Cannon will be instructive to those who demand that the House make its majority effective by destroying the power of obstruction held by the Rules Committee and by committee chairmen whose claim to leadership rests on longevity. Cannon alone exercised the powers now dispersed. He appointed committees, designated their chairmen, headed the Rules Committee and generally steered the business of the House.

Uncle Joe regarded it as his duty to carry out Republican policy—as he saw it. He thought America was "a hell of a success" and he wearied of the "babble for reform" from progressive leaders such as George W. Norris and Robert La Follette. The progressive movement became—at least Bolles would have it so—a crusade against "Cannonism." At last, in a tense session in March, 1910, the insurgent Republicans combined with the Democrats to adopt Norris' proposal to remove the Speaker from the Rules Committee, to permit the House to elect that committee, and to empower it to choose its own chairman. In 1911 the "revolution" was completed by taking from the Speaker his power to designate the members and chairmen of standing committees.

Bolles follows the conventional view of the entire episode: The "revolution" freed "the house, the President, the party, and the country from the control of a despot." Whether, forty years later, this interpretation makes much sense can be seriously questioned. Norris and his insurgents could join with the Democrats to deflate the Speaker, but they could not manage the House. Uncle Joe dared the new "majority" to elect a Speaker and to assume responsibility for legislative leadership. They could not do it; and by the "revolution" they destroyed the machinery they might use if and when they became a genuine majority. They parceled out the Speaker's powers among inconspicuous and more or less irresponsible individuals not easily brought to account for their actions. In the absence of unified party leadership, strategic points within the House machinery have come to be controlled by individuals out of harmony with the prevailing sentiment of the majority. Accidents of survival determine the holders of committee chairmanships under the rule of seniority. The caprice of political mortality places a Dixiecrat in control of this committee, a Fair Dealer in control of that committee, and permits the pivotal Rules Committee to be controlled at critical moments by a combination of Republicans and dissident Democrats. Instead of one "despot," the House has a congeries of little despots. A Cannon in the Speaker's chair may be better than a Gene Cox or a Howard Smith in the backroom sessions of the Rules Committee.

Yet Cannon's difficulties stemmed fundamentally from the division within his own party. Uncle Joe's disinclination to compromise precipitated the "revolution." A standpatter among standpatters, he yielded little ground to the Republican "reformers," whom he regarded as Democrats flying false colors. A powerful speakership can rest only on skillful appeasement of both wings of whatever party constitutes the majority, a neat trick in the best of circumstances. But there is much to be said for giving the Speaker the equipment to try to turn the trick. A pre-1910-type Speaker could not today compose all the differences between the Southern and Northern Democratic contingent, nor could any piece of legislative gadgetry Nevertheless, an adroit pre-1910-model Speaker could mightily aid the majority in fulfilling its responsibility to the country, in scheduling the business of the House, in forcing decisions and in keeping within tolerable limits the concessions that must be made to the minority of the majority.

Bolles may not have written a book for the ages, but the inherent drama of the events he records produces an exciting story. Wilson has another sure-fire attracter of attention. He focuses on individual corruption in Congress and on the complaisant attitude of that body

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toward the peccadilloes of its members. He recounts six House cases and four involving Senators. There pass in review James McDermott and the NAM, John M. Coffee and a contractor's out-of-season campaign contribution, Eugene Cox and a lawyer's fee from a petitioner before the FCC, James M. Curley and the Engineers Group, Inc., and Andrew Jackson May and the Garssons. On the Senate side "Happy" Chandler and Theodore Bilbo receive attention.

Congress demonstrates great reluctance to refuse to seat or to expel a member even when his wrongdoing is patent. Congressional leaders seem more prone to praise than to penalize the deviant members of the club. For example, John W. McCormack, majority leader, wrote to Andrew Jackson May after publication of most of the facts leading to May's subsequent conviction: ". . . I consider your re-election essential to the best interests of your people and the welfare of the nation. . . . " Wilson highlights American usage by a series of contrasting British cases. A member of Parliament who diverted government transportation vouchers worth about $15 felt obliged to resign even before he pleaded guilty in police court.

Wilson seasons with righteous indignation his accounts of venality and near-venality—and it's high time somebody got wrought up—yet it may be that other failings of Congress carry greater threat to national survival. Wilson is at his best in his reconstruction of particular situations. When he ventures broad explanations of what causes it all, he leaves at least this reader unconvinced. One sentence, not unrepresentative in tenor: "Our confused and embittered society, propagandized by great wealth to 'preserve' a long-dead economic system and tantalized by visions of 'success' which, under our present economic system, only the few may achieve, will continue to produce Mays and Garssons, Coxes and Dicks until the American people learn how to make economic power responsible." This sort of fuzzy diagnosis almost moves one to say with Uncle Joe Cannon: America is a "hell of a success."

V. O. Key Jr., author of "Southern Politics," is a professor of Government at Yale University.

CHAPTER AND VERSE

THE OPERATIONAL CODE OF THE POLITBURO, by Nathan Leites (A Rand Corporation Research Study: McGraw-Hill; $3).

IN THIS little book, the product of research undertaken for the Air Force, Nathan Leites has tackled the formidable task of formulating explicitly the way in which the Politburo looks at the world. Twenty chapters with numbered paragraphs attempt to set out the basic principles of the Communist credo and the essential categories of Bolshevik thoughtways, illustrated with quotations from the writings of Lenin and Stalin. The book's major theme is one that since 1945 has become familiar: "The fundamental law is to do all that enhances the power of the Party, the great and only instrument in the realization of communism, the great and only goal." The rest of the book elaborates this proposition in terms of a permanent, or nearly permanent, strategy and conception of the world, combined with flexibility in tactics, the possibility of prolonged retreats, the need to take advantage of every weakness in the enemy's armor, etc., etc. The neatness of the presentation reminds this reviewer of Herbert Spencer. Appropriate quotations fly like filings to a magnet and arrange themselves in serried ranks beneath each of the author's theses.

Such a procedure is open to serious question. The skeptical reader might come away with the hunch that in our attempt to learn about Russia more of the taxpayers' money should be spent on old-fashioned stool pigeons and less on social science. To what extent can tactical statements, made in very many cases twenty-five or more years ago, be taken as evidence of the way Stalin's mind works now? Without a detailed analysis of contemporary circumstances

Donnelly
Bryan
Altgeld

Midwestern Progressive Politics

By Russel B. Nye

Coxey
Norris
La Follette

The Grangers and Greenbackers, Ignatius Donnelly and Sockless Jerry Simpson, William Jennings Bryan and Fighting Bob La Follette, Woodrow Wilson and F.D.R. —all take their places in this panoramic view of the progressive spirit in American history. Comparing the political philosophies of Theodore Roosevelt and of La Follette and his colleagues, the author shows the distinctions between the Eastern variety of progressivism and its Midwestern counterpart, which, for all of the limitations as well as strength of an essentially regional movement, he regards as an expression of the American tradition of unrest and protest against social, economic, or political injustice.

MICHIGAN STATE COLLEGE PRESS

East Lansing, Michigan

416 pages $5.00

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how can one tell what parts of a statement are temporary rationalizations and what parts represent fundamental lines of policy? As Dr. Leites suggests in his introduction, the Bolsheviks themselves probably would often be unable to answer this question. And what has been the impact of political responsibility and the experience of two wars, coupled with a complete internal upheaval, on men who pride themselves on their ability to learn from experience?

Dr. Leites is aware of the problems and difficulties presented by historical changes and skimpy data. Fortunately his wide knowledge of the facts of Bolshevik history enables him to avoid some of the traps of a rather rigid method. Thus, at a number of points he distinguishes between Leninist and Stalinist political methods and assumptions, without falling into the Trotskyite line of regarding Lenin as a Jeffersonian democrat. Further, he tries to fill out the gaps by showing how Politburo policy in recent years has been consistent with a number of the major doctrinal points sketched in each chapter. Much of Politburo behavior, however, can also be explained on grounds that have very little to do with Marxism, such as the polarization of world power after the last war and the consequent necessity for a series of "defensive" moves by the two major states.

Despite the difficulties, the author has squeezed a maximum of tenable and politically relevant conclusions from his information. The effort to define the Bolshevik *ethos* chapter and verse presents many an illuminating insight for both specialist and general reader, even if the over-all effect is rather schematized. If American diplomacy continues to evolve away from a diplomacy of personal impressions toward a more rational calculus of real forces, the result will in part be due to such studies as this. At the same time they cannot fail to reveal the limits of social science as a tool in solving political problems in which adequate data are seldom available for rational decisions.

BARRINGTON MOORE JR.

Barrington Moore Jr., author of "Soviet Politics: The Dilemma of Power," is a Research Associate at Harvard's Russian Research Center. He is now preparing a study of the sources of strength and weakness in the Soviet social system.

Psychodynamics applied to the American "caste" system

THE MARK OF OPPRESSION

A Psychological Study of the American Negro

By ABRAM KARDINER, M.D.
author of The Individual and His Society
and LIONEL OVESEY, M.D.

The individual case histories of twenty-five American Negroes provide a dramatic new insight into the unconscious adaptations of a people forced to live within the confines of a caste system. Based on the psychoanalytical interview method, many of the findings of this psychodynamic study are applicable to any group existing in social isolation. They describe the social and psychological effects of adaptation . . . their interaction and mutual influence. This is an important revelation of the reactions of an oppressed people and the psychology of the oppressor. It establishes new guideposts for social engineering.

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IN THE CLASSROOMS

THE PUBLIC SCHOOL SCANDAL, by Earl Conrad (John Day; $3.50).
SEARCHLIGHT: AN EXPOSE OF NEW YORK CITY SCHOOLS, by David Alison (Teachers Center; $2).

BOTH THESE BOOKS are pamphleteering blasts against the New York City public-school system. (Although Earl Conrad's purports to be national in scope, most of it deals with the New York situation.) Both books are tendentious, giving highly select documentation of their charges. But in both cases, the documentation, however lopsided, is sufficient to confirm these facts about the New York school system:

Its policy-making agency, the Board of Education, is composed almost exclusively of bankers, businessmen and corporation lawyers; only two professional educators have served on the Board; no representative of organized labor ever sat on it. The administrators, from the superintendent down, are mostly opportunistic mediocrities, highly sensitive to pressures from the Right and resistant to pressures from the Left, generally tyrannical toward their subordinates and supine before their superiors. Creative approaches are quickly suppressed; conformity is the watchword. Most classrooms are crowded beyond comfortable capacity. The teaching staff generally is intimidated, demoralized, overworked and underpaid. Instructors who try to teach children to think for themselves are likely to be suspect as subversives. The Catholic Church wields inordinate influence on the system and its policies. Practically all policies have to be cleared, officially or unofficially, with the "powerhouse"—the Cardinal's headquarters. Teachers who parade their bigotry before their pupils are handled tolerantly; teachers with non-conformist political leanings are booted out of their jobs, however exemplary their classroom conduct may be.

The Public School Scandal grew out of Earl Conrad's experience as a parent of a child who allegedly suffered harrowing mistreatment as a pupil in the primary grades. A veteran newspaperman, Conrad tells his story in reportorial style, beginning with an investigation into his son's school troubles and broadening into a general attack on America's public-school system. His book is infused with honest indignation, but that indignation, unfortunately, is too often undisciplined and ill-informed.

The author hits the public schools with everything in his arsenal, and his missiles often boomerang. He displays contempt for child-guidance bureaus in school set-ups, then complains that there aren't enough of them. He says he favors the compulsory-education system, yet lashes out at state laws requiring children to start schooling at a certain age as the "forced draft of five- and six-year-olds." He places almost exclusive blame upon the public schools for filling our mental hospitals, prisons and reformatories. Conrad's blunderbuss blasts put the book out of focus; the reader is sometimes led to believe that the main trouble with our schools is the lack of remedial-reading classes. But there are moving and brilliant pages, notably the chapter describing an interview with a prominent educator (unnamed) over a luncheon table at Sardi's.

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Searchlight deals with the bitter struggle between the city school heads and the militant Teachers' Union, climaxed by the ousting of eight of its members on charges of being Communists and by a resolution withdrawing recognition of the Union. Its author, David Alison ("the pen name of a teacher with many years of experience in the public schools"), sketches in the background of this struggle, with liberal quotations from official documents, impartial reports and statements of experts. Although it represents a heavily slanted brief for the Teachers' Union position, the weight of its documented evidence, discounting the propagandistic appeals, adds up to a damning case against the cowardice and moral corruption of our school system. ALBERT DEUTSCH

Albert Deutsch, former columnist for the newspaper "PM" and the New York "Post," is now free-lancing in Washington.

THE KNEELING BOY

THE MORNING WATCH, by James Agee (Houghton Mifflin; $2.25).

THE MORNING WATCH is a small book, highly charged and colored, which deals with a boy's struggle toward manhood against his own sense of inadequacy, against the discouraging assurance of older, tougher boys and against the inhumanly lofty ideals set by hagiography.

It is the morning of Good Friday and Richard, a twelve-year-old attending a High Church school, spends a period of prayer in a transport of religious passion. Intoxicated by the sonorous larger-than-life phrases of the service and the dim, hypnotic atmosphere, he partakes with pity and love of the suffering of Christ. But being a boy who is not especially successful among his contemporaries, he must keep trying his strength and courage even in prayer, and soon he identifies himself with the heroic Christ figure, a parallel which reaches its apogee in a vivid illusion of himself, self-crucified, being gazed at with awe by teachers and schoolmates.

Although his devotion is intense, intenser is his need to prove himself and repeatedly he is carried by some phrase in the service to a daydream of power and glory, but such ambition is sinful and he must pull himself back, after painful analysis and self-criticism, to prayer. He imagines himself a saint, and then being shocked by his great pride, must think himself back into humility. Pleased with his return to humbleness he must further castigate himself for being pleased. The long kneeling hurts his knees and he welcomes the pain because it proves that he, too, can bear pain. Again his own effrontery appals him, and thus the boy lives through these hours struggling with challenges too big for him, ardently trying and never succeeding in being at peace with himself.

After the service is over he goes with two friends on an outing, during the course of which Richard finds and kills a beautiful snake (a rather misty symbol) and in that act, highly respected by his friends, discards the uncertainties and self-doubt that had tormented him, and he begins to walk and feel like a man.

In sinuous, pliant prose, capable of echoing the huge ringing tones of the Church as well as the brutal crispness of boys' speech, James Agee has succeeded in molding a figure of an appealing and authentic twelve-year-old, solemn, pitiable and funny, rushing toward and retreating from a dreaded and fascinating world.

KATE SIMON

MUSIC

Record Roundup

VIRGINIA PLEASANTS, an American pianist now living in Munich, where her husband holds an executive position in the cultural branch of the Army of Occupation, has recorded two little-known Haydn piano recitals (No. 20, in C minor, and No. 50, in C major) in Vienna and sent them back here to be released by the Haydn Society, on a single 10-inch LP disc. The sonatas themselves are works of mature beauty, and Mrs. Pleasants plays them with simplicity and honesty of sentiment and with a lovely, unforced tone. An equally direct and perceptive performance of Haydn's Piano Variations in F minor is given by the eminent Hungarian composer-pianist Ernst von Dohnanyi. This recording, which I unfortunately overlooked when I undertook a roundup of the cut-rate Remington records (April 23), is by all odds one of that company's best products; the reverse side contains equally admirable performances of Beethoven's Andante in F major and Piano Sonata in D minor, Opus 31, No. 2. Remington LP records have gone up 20 cents; they are now $1.59 and $2.19 for the 10- and 12-inch records respectively.

By contrast with these, the dealings of Charles Munch and the Boston Symphony Orchestra with the last of Haydn's symphonies, No. 104 (RCA Victor), sound hysterical and exaggerated. More serene and more grown-up artistically, and quite as well played from the technical standpoint, is Sir Thomas Beecham's recording, with the Royal Philharmonic Orchestra, of the Symphony No. 93 (Columbia). It is coupled with the stately suite drawn by Sir Thomas from Handel's forgotten opera, "The Faithful Shepherd."

Two Mozart string quartets from the set of ten dedicated to Haydn—in G major, K. 387, and in D minor, K. 421—are played, on a single 12-inch LP record, with impeccable ensemble but almost too much polish and luxuriousness of tone by the Budapest String Quartet (Columbia). Several early Mozart works for orchestra, all most attractive but none particularly profound, have been recorded by various ensembles. The Symphony in G major, K. 318—sometimes called the Overture in

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DEMOCRACY and the CHURCHES

By James Hastings Nichols

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the Italian Style—is played by the Berlin Philharmonic Orchestra, conducted by Hans von Benda (Capitol). It is paired with Hugo Wolf's Italian Serenade, one of the few forays the great song-writer made into the orchestral field, played by the German Philharmonic Orchestra of Prague under the direction of Joseph Keilberth. Two even earlier Mozart symphonies—in C major, K. 200, and in G minor, K. 183—are brightly set forth by Bavarin orchestras conducted by Rudolf Albert and Kurt Eichhorn (Mercury); the recording is more up-to-date than that of the Capitol release. The Zimbler Sinfonietta, a superbly disciplined group of Boston Symphony Orchestra players who hide their affiliation when they record for Decca instead of RCA Victor, gives charming accounts of two suits by the adolescent Mozart—the Serenade in D major, K. 100, and the Cassation in G major, K. 63.

Schubert's C major String Quintet, one of the most touching pieces in chamber-music literature, is played with rare intimacy and understanding by the Hollywood String Quartet and the requisite extra cellist (Capitol). A domestic recording, the disc has none of the acoustical shortcomings that sometimes mar Capitol's re-releases of prewar European records. Extensive portions of the exquisite incidental music Schubert wrote for a forgotten play called "Rosamunde" are coupled with the Unfinished Symphony in a record conducted by Robert Heger, an old and experienced hand at Viennese music (Mercury). Lili Kraus, a Viennese pianist who always seems to me excessively wayward and unpredictable, plays Schubert's A minor Sonata, Opus 42, and the Valses Nobles, Opus 77, in a manner others may find inviting (Decca). At any rate, the tone of the piano comes out with exceptional roundness and naturalness.

One of the year's most attractive records of light music contains half a dozen Johann Strauss pieces, played by German orchestras under the direction of Ferenc Fricsay, now the conductor of the Berlin Philharmonic, and Ferdinand Leitner (Decca). The best-known item in the set is the waltz, "Wein, Weib und Gesang." The most timely, in view of the "Fledermaus" craze that is sweeping the nation, is the "Fledermaus Quadrille," a ballroom piece based on familiar melodies from the operetta. Except for "Wein, Weib und Gesang," the record avoids Vienna's celebrated *drei viertel takt*, for in addition to the "Quadrille" it contains three polkas and the "Perpetuum Mobile," all of which are in *duple* time. Decca's engineering compares with the best; this is a recent European recording.

Samuel Barber, one of the ranking American composers in the early-middle-age bracket, is newly represented by three excellent recordings. His nostalgic piece for soprano and orchestra, "Knoxville: Summer of 1915," is affectingly presented by Eleanor Steber, who commissioned it for her own use, and the Dumbarton Oaks Orchestra, conducted by William Strickland (Columbia). On the reverse side are the Four Excursions, blithe bits of folk idiom, neatly played by Rudolf Firkusny. Barber's sturdy, energetic Piano Sonata is somewhat overplayed by Vladimir Horowitz (RCA Victor) on a disc that also contains his nerve-racking version of Chopin's B flat minor Sonata.

Another of Columbia's contributions to the recorded repertory of American music is a coupling of Charles Ives's Violin Sonata No. 2, full of camp-meeting and barn-dance tunes, with Roger Sessions' cerebral but friendly Duo for Violin and Piano. Both are well played by Patricia Travers and Otto Herz. Columbia has also dug back into an earlier generation to issue Edward MacDowell's complete "Woodland Sketches" and parts of three other piano sets, performed by John Kirkpatrick in a manner indicating that he, at least, still believes in them.

CECIL SMITH

MOVIES: On the Beach

HAPPY THE COMEDIAN who can play his own straight man (and happy the studio that fills two star parts with one paycheck). No one will build his scenes for him more solicitously, no one will reflect him to greater advantage and no one is less likely to steal his show. For an example, see Danny Kaye in "On the Riviera" playing himself, a notorious financier-philanderer and himself impersonating said rascal. If this seems complicated, blame Rudolph Lothar and Hans Adler, two plot mechanics who learned their trade in Verona.

"On the Riviera" is billed as a musical, but it is really more a handsomely staged excuse for Kaye's mimetic gifts. It is no news that these are extraordinary and Kaye plugs his rather thin material with every ounce of his frightening energy. On a couple of occasions, in fact, his life-of-the-party exuberance gets embarrassingly out of hand and there is one notable lapse when a perfectly good Elizabethan double meaning is forced far beyond the elasticity of the humor in it. Playing ducks and drakes with the Production Code, this is called.

Gene Tierney and Corinne Calvet assist the prestidigitator by handing him various props, for the most part themselves. Margaret Dumont was the only woman of our day who was much use around slapstick, but these two girls lend the proper musical-comedy toothsomeness to the show. There is unfortunately no patter song and the music in general is not up to much, except for "Ballin' the Jack," which has been a good tune for 30 years.

The marine thriller, "Sealed Cargo," contains any number of improbabilities and untidy loose ends (what killed the man on deck, for instance) and it is performed by Dana Andrews, Claude Rains and Philip Dorn at the dead level of competence that marks the stale Hollywood product. Nevertheless, it deals with a wartime mystery ship, a square-rigger found wallowing in the North Atlantic, and no movie on that subject can entirely fail you.

Andrews, captain of a Gloucester

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Grand Banks fisherman, picks the derelict Danish windjammer out of the fog, her captain (Rains) sprawling deserted and dazed in his cabin and her cargo of rum (it seems) safe in her hold. Andrews tows her into a Newfoundland port, where her crew—a group rather more given to muttered *jawohls* and *achtungs* than you would expect in kosher Danes—puts in a fishy appearance. From there on the plot thickens nicely. The picture was made from *The Gaunt Woman*, by Edmund Gilligan; the love story (with Carla Balenda) tied loosely onto the plot and the scene at the end where the ship departs briskly from the dockside with about two square feet of sail set are Hollywood contributions that must depress the author.

Racial tolerance, which the studios seized upon a couple of years ago as a great new idea, has now been typed, and Hollywood must feel more comfortable with this "dangerous" topic under the safe control of a formula. The typical race picture (or racial incident within a picture) is today handled as follows: The hero is a handsome and winning young man with the one scar on his personality an abiding hatred for a particular minority. As luck would have it, he is forced to associate with a group of these despised people and the situation begins to look pretty ugly. After a time, however, the ingratiating ways of the group make the young man question his prejudice and then one of them does him a signal service—usually saves his life—whereupon the hero bursts into manly tears and embraces as many former scapegoats as his arms can conveniently encircle.

The Negro is the usual target for this liberal humbuggery, but Dore Schary, producing for M-G-M, applies it in "Go for Broke" to the Japanese Americans of the US Army in the last war. Members of the 442nd Regimental Combat Team, a special unit that fought well in Italy and France, play themselves; Van Johnson is their bigoted lieutenant, and Warner Anderson, as an "understanding" colonel, delivers the tolerance messages. "Go for Broke" (the phrase is Nisei for "shoot the works") can be described as a remake of M-G-M's "Battleground," with the lesson thrown in to provide ringing promotion copy.

Perhaps I do Hollywood an injustice; perhaps it really does see social problems in terms of heroics and tears and sudden reformations. Nevertheless, these products look box-office canny.

The title of "Tony Draws a Horse," as no holder of a sweepstake ticket would be likely to guess, concerns the sketch of an excessively virile stallion that the ten-year-old son of a Harley Street pediatrician has perpetrated on his father's waiting-room wall. This creation, the latest in a series of juvenile high jinks, causes a serious ruckus between the exasperated doctor (Cecil Parker) and his wife (Anne Crawford), a psychiatrist who believes in free expression for the young. To birch or not to birch; on this rock the marriage almost founders, and in the course of its stormy passage it involves various proper Englishmen in such improper doings as creating a disturbance among the Marble Arch orators, being compromised in Dieppe and smoking cigars before lunch.

"Tony Draws a Horse" is one of those dithering English comedies in which the humor pokes gently at the pomposities of sound British mores. It is funny in its slightly anemic, adenoidal way, but only a season singularly empty of humor can make it seem anything like uproarious. Some of the gags—"He's been reading the Karl Marx Brothers," for a horrible example—are clearly unworthy of Englishmen.

"The Prowler" — what Hollywood likes to call a raw drama of naked passions—is not worth the nastiness. I'm willing and able to stomach a good deal of spiritual squalor when there is some point to be gained from it, but I object to being dragged through the mud in pursuit of entirely empty entertainment. Van Heflin plays a poisonous weakling who murders and marries for profit; Evelyn Keyes is his feckless companion in lust and loot. The plot is as unlikely as it is sordid.

ROBERT HATCH

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What is a *Bandwagon* item? Difficult to define, but here are a couple of examples that should give you the idea.

Pot Luck

"And while we're on the subject," said Ouida [Mrs. Basil Rathbone], "I'd like to correct the notion that I used to throw the most lavish parties in Hollywood. According to the fan magazines, some of my parties cost as much as $25,000. It's absurd. . . . No party I ever gave cost more than five or six thousand dollars."—*From* Cue.

Requirement for Residence

False names are to be used by two students for a debate on the Communist party to be held in the Trinity College Chapel. One student plans to continue to visit the USA, the other to make his home there after graduation.—*Canadian University Press dispatch from Toronto.*

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